Mitochondria exist in nearly every cell in the human body. In a person with mitochondrial disease, the mitochondria are failing and cannot convert food and oxygen into life sustaining energy.

The severity of symptoms and how the disease manifests itself can vary. One person may have difficulty breathing or digestive problems while another may not be able to walk, talk, see or hear.

Because the disease is complicated and difficult to diagnose, most patients suffer symptoms for years before they are accurately diagnosed with a mitochondrial disease.

Mitochondrial dysfunction is implicated in Alzheimer’s Dementia, Parkinson’s disease, diabetes, hypertension, heart disease, cancer and the aging process. Research can lead to a better understanding of and treatment of those illnesses.

Every 30 minutes, a child is born with a mitochondrial disease. We need increased funding for research now to provide better diagnostics, treatment and hope.
UMDF MISSION
To promote research and education for the diagnosis, treatment and cure of mitochondrial disorders and to provide support to affected individuals and families

RESEARCH
Understanding mitochondrial disease has the potential to open a new world of knowledge, transforming medicine and cutting across all medical disciplines to uncover better treatments for a range of serious diseases. As the largest non-governmental funder of mitochondrial disease research, the UMDF has already achieved tremendous success in marshalling resources for new research and improving awareness and understanding of mitochondrial disease. In the last decade, the UMDF and its Scientific and Medical Advisory Board of experts have awarded an unparalleled $6 million in grants to the most promising mitochondrial disease research proposals—leading to important new discoveries.

SERVICES AND SUPPORT
The UMDF creates caring, supportive communities across the nation for adults, children and families suffering from mitochondrial disease through our local chapters and affiliated groups and ambassadors. This allows UMDF members to network with other families and individuals to talk about mitochondrial disorders. The UMDF keeps members updated with the latest treatment advances and information through a quarterly newsletter.

AWARENESS
The UMDF is recognized as the leader for information about mitochondrial diseases. The UMDF has been highlighted in more than 75 publications and broadcast outlets across the United States - including the New York Times, Associated Press, the Baltimore Sun, WEBmd, and National Public Radio. Our members have also been featured on CNN and ABC’s World News Tonight and Good Morning America. The UMDF is also raising awareness among clinicians, pediatricians, general practitioners and other allied health professionals through exhibition at annual medical meetings and our ‘Grand Rounds’ lecture series at hospitals around the country. The UMDF has also produced ‘Mito 101’, an interactive CD to educate primary care physicians and pediatricians about mitochondrial diseases and ‘MitoFirst”, a handbook for newly diagnosed patients and their physicians.

SYMPOSIA
The UMDF hosts the 11th annual Mitochondrial Medicine Symposium in Washington, DC in June, 2009. It is the largest international research symposium dedicated to mitochondrial disease where the world’s leading researchers meet with doctors, patients and their families to exchange valuable knowledge and ideas.Attendees will also have an opportunity to meet with their elected officials to advocate for increased funding for mitochondrial disease research.

FOR MORE INFORMATION, CONTACT UMDF AT 888.317.UMDF(8633) OR VISIT WWW.UMDF.ORG
Since 1997, The United Mitochondrial Disease Foundation has awarded nearly $6 million in scientific research grants. In FY 2008, the UMDF provided $1,025,080 in scientific and medical research aimed at investigating better treatment options, easier diagnosis and ultimately a cure. For a complete list of projects funded between 1997 and 2008, visit http://www.umdf.org/site/c.dnJEKLNgFoG/b.3790285/k.6CE6/Research_Grant_Program.htm.
In fiscal year 2008, the United Mitochondrial Disease Foundation awarded $1,119,846 in research grants towards a cure. Below is a complete list of the projects funded and their descriptions.

Since 1996, the UMDF has provided more than $6 million in research grants towards a cure making it the largest, non-governmental funder of primary mitochondrial disease research.

- **$150,000** Brendan James Battersby, PhD, University of Helsinki  
  **Project Title:** "Identifying genetic modifiers of tissue-specific mitochondrial DNA segregation."  
  Dr. Battersby's project will identify factors that regulate the expression of mitochondrial DNA, especially mutated DNA that leads to impaired ATP synthesis. This will provide fundamental information about the genetics of mitochondrial disease.

- **$128,563** Stuart Smith, PhD,DSc, Children's Hospital & Research Institute at Oakland  
  **Project Title:** "Utilization of knockout mouse models to elucidate the importance of the de novo mitochondrial fatty acid synthesis pathway in mitochondrial function."
  Dr. Smith will develop an animal model to investigate mitochondrial synthesis of fatty acids. This is important because fatty acids are crucial structural components of mitochondria and defects in their synthesis could be linked to specific mitochondrial diseases.

- **$125,000** Leo Joseph Pallanck, PhD, University of Washington  
  **Project Title:** "The role of the PINK1/Parkin pathway in mitochondrial integrit."  
  He will investigate the regulation of splitting and combining of mitochondria in cells. This is important because specific diseases are linked to defects in mitochondrial processing, especially an inability to eliminate abnormal mitochondria.

- **$116,428** Bridget Elizabeth Bax, PhD, St. George’s University of London  
  **Project Title:** "Evaluation of the efficacy and safety of erythrocyte encapsulated thymidine phosphorylase therapy in two patients with mitochondrial neurogastrointerstinal encephalomyopathy."
  She will investigate the effectiveness of providing red blood cells that supply a missing enzyme to patients with a severe form of mitochondrial disease. This is significant because there is currently no means of ridding patients of toxic metabolites that accumulate because of the absence of this enzyme.

- **$101,569** Beverly A. Rzigalinski, PhD, Virginia College of Osteopathic Medicine  
  **Project Title:** "Cerium oxide nanoparticles in the treatment of mitochondrial diseases."
  She will investigate the effectiveness of providing red blood cells that supply a missing enzyme to patients with a severe form of mitochondrial disease. This is significant because there is currently no means of ridding patients of toxic metabolites that accumulate because of the absence of this enzyme.
$100,000  Deepa Vinay Dabir, PhD, University of California - Los Angeles
Project Title: “Study of redox regulated pathways in the mitochondrion.”
Dr. Dabir’s project will study the movement of proteins into mitochondria by investigating and describing a recently discovered import pathway. The importance of this research is two-fold in that it will provide fundamental insights into mitochondrial biogenesis and could also lead to the use of this pathway for introduction of therapeutic agents into mitochondria.

$ 99,998  Timothy E. Shutt, PhD, Yale University School of Medicine
Project Title: “Selective alteration of mitochondrial gene expression via modulation of the dual-function h-mtTFB1 and B2 factors as a potential therapy for mitochondrial diseases.”
He will assess the effectiveness of increasing the activity of regulatory factors that would promote synthesis by mitochondria of proteins vital to their function. This is important because it may point to new therapies for enhancing mitochondrial energy metabolism.

$ 99,998  Sion L. Williams, PhD, University of Miami
Project Title: “Evaluation of a novel zinc finger nucleases as a means to target m.3243 A>G in vivo.”
He will investigate the effectiveness of enzymes that selectively deactivate mutant DNA in mitochondria. This is important because decreasing the level of abnormal mitochondrial DNA in targeted tissues could significantly diminish the symptoms experienced by mitochondrial disease patients.

$ 99,990  Rebecca Acin-Perez, PhD, Weill Medical College, Cornell University
Project Title: “OXPHOS modulation by mitochondrial protein phosphorylation in mtDNA mutant cells.”
Cells with mutated mitochondrial DNA have a diminished ability to produce ATP. Her research project will investigate how these mutations affect the proteins that regulate ATP synthesis. This is significant because it may lead to new drug therapies.

$ 98,300  Elizabeth Anne Amiott, PhD, University of Utah
Project Title: “Mitochondrial fusion defects in neurological disease.”
Her project will investigate the relationship between mitochondria losing their ability to fuse with each other and the development of defective nerve function. This is significant because some severe neurological diseases may be helped by treatments that enhance mitochondrial fusion.
**JULY 2007**

The UMDF begins the new fiscal year by welcoming Minneapolis/St. Paul, Central Ohio and Canada as chapters. The UMDF starts the year with 14 U.S. Chapters and 1 International Chapter.

The UMDF forms the Adult Advisory Council Team (AACT). The mission of AACT is to ensure equal representation and service to the affected adult community and to provide guidance to the UMDF on adult-related issues.

**AUGUST 2007**

Kara Strittmatter is named the Director of Member Services for the UMDF. Kara transitions to her new role after serving as the UMDF’s Director of Marketing and Communications. Kara is the UMDF’s first employee and has been with the foundation since it began in 1996.

**SEPTEMBER 2007**

UMDF begins to brand the third week of September as “Mitochondrial Disease Awareness Week” nationwide. Renewable proclamations are signed in Ohio, Pennsylvania, Washington and Massachusetts, Rhode Island, Wisconsin and California. Through the efforts of UMDF Youth Ambassador Jamieson Smith, New Jersey passes a permanent resolution.
The UMDF receives the prestigious 2007 ‘Advocacy Award of Merit’ from the Child Neurology Foundation. The award was presented to UMDF Executive Director and CEO Chuck Mohan during the CNS annual meeting in Quebec City, Quebec Canada.

Chapter leaders from around the nation gather in Pittsburgh for their annual meeting. Among the items discussed, a planned advocacy effort in Washington, D.C. in June of 2009.

After interviewing five firms, the UMDF Board of Trustees votes to hire Washington, D.C. public relations firm Porter Novelli.

Over the next year, Porter Novelli will help the UMDF design advocacy messages and materials as well as conduct an ‘earned media’ campaign geared towards raising the awareness of mitochondrial disease. Porter Novelli will work in conjunction with the UMDF towards a planned UMDF “Day on the Hill” in June of 2009.
The UMDF mourns the loss of Stanley A. Davis, who died January 19, 2007. Mr. Davis was the Chairman of the Board of Trustees at the time of his death. He was 66. Mr. Davis was succeeded as Chairman by W. Dan Wright. Wright was Vice Chairman. Sharon Shaw replaced Wright as Vice Chairman. Marty Lyman succeeded Shaw as Secretary. Richard Kubach Jr. remains as Treasurer.

The UMDF launches it’s new website through Kintera with improvements in content and chapter support.

UMDF provides an interview subject for an ABC News report on research conducted by Patrick Chinnery on embryo’s. UMDF did not fund this research but mitochondrial disease was the topic.

Mitochondrial disease is highlighted in a national television appearance by California UMDF member EJ Fogel. Fogel appeared on LA INK to receive a tattoo of his daughter, Taryn, who suffers from mitochondrial disease.

THE UMDF garners national media attention when the Scientific and Medical Advisory Board issues a statement on vaccines and mitochondrial disease. The statement was in response to numerous questions about vaccine safety and mitochondrial disease. The questions arose from a lawsuit against the Federal Government by the Poling family. The Poling’s claimed that their daughter, Hannah, who suffered an underlying mitochondrial disorder, developed autism after undergoing a series of vaccinations. The UMDF’s SMAB stated “there are no scientific studies documenting that childhood vaccinations cause mitochondrial diseases or worsen mitochondrial disease symptoms. In the absence of scientific evidence, the UMDF cannot confirm any association between mitochondrial diseases and vaccines”.
After an emotional news conference, Tampa Bay Rays Outfielder Rocco Baldelli announces that he is now a free agent. In March, Badelli announced that he suffers from a “mitochondrial abnormality.”

The UMDF Ohio Chapter surpasses the $1 million mark in funds raised at the seventh annual “RUN WILD FOR A CURE 5K RUN/1MILE WALK. The event is held annually at the Cleveland Zoo. In 2008, the event raised more than $200,000 for the UMDF.

The UMDF annual symposium is held in Indianapolis, Indiana. The UMDF Research Grant Program awards more than $1.1 million, for a total of more than $6 million since 1996.

Representatives of from the UMDF and it's SMAB participate in a workshop held in conjunction with the symposium. The workshop, entitled “Mitochondrial Disorders of Childhood: Testing, Potential Relationships to Autism Spectrum Disorders, and Triggers for Neurological Deterioration,” was sponsored by the National Institute of Neurological Disorders and Stroke (NINDS), the National Institute of Mental Health (NIMH), the CDC, the FDA and the Department of Health and Human Services.

The UMDF unveils MITO 101 and MITOFirst

Chris Swinn of Atlanta becomes the first recipient of the Stanley A. Davis Leadership Award. He was presented the award by his daughter Emily, who was the recipient of the UMDF “Heartstrings Award.”
CHAPTERS, MITO GROUPS AND AMBASSADORS

ALABAMA
Ambassador – Huntsville/Madison County
Contact: Peggy Stoel Conti
E-mail: mypekeeapoos@aol.com

ARIZONA
★Arizona Chapter
President: Michael Schuffert
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St. Louis Area Mito Group
Contact: Marsha Hohe
E-mail: marsha marsha@marshall@charton.net

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Ambassador – New Paltz
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E-mail: dearcj@earthlink.net

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★Central Ohio Chapter
President: Matt Kovacic
E-mail: CentralOhio@umdf.org
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or ddoyle@nanometrics.com

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or hcr@zoominternet.net
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Ambassador – Chapin
Contact: Karis Mott
E-mail: karis mott@yahoo.com
Ambassador – Charleston
Contact: Addy Smoke
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E-mail: mw Wellhouse@36new.r.com
Ambassador – LaCrosse/Eau Claire
Contact: Terilyn Peterson
E-mail: terilynovadia@hotmail.com
Ambassador – Plover/Stevens’ Point
Contact: Angela Zutz
E-mail: angie150612@charton.net
Ambassador – Wauskesha
Contact: Anne Juhlmann
E-mail: ajuhlmann@chv.org

INTERNATIONAL
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E-mail: gma16@bigpond.com
Ambassador – Toronto/E. Ontario
Contact: Ken Graham
E-mail: kgrahamis@yahoo.ca
Ambassador – Winnipeg
President: Keely Schellenberg
E-mail: kschellenberg@mts.net
Ambassador – United Kingdom
Contact: Rowland Dicker
E-mail: Rowland@dicker.org.uk

UMDF YOUTH AMBASSADORS
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E-mail: dotheeven@aol.com

Georgia
Contact: Emily Swinn
E-mail: ATLchapter@umdf.org
New Jersey
Contact: Jameson Smith
E-mail: Jamster1221@aol.com

For more information about a chapter, group or ambassador near you, contact the UMDF office at 888-317-UMDF!
INDEPENDENT AUDITOR’S REPORT

To the Board of Trustees of the
United Mitochondrial Disease Foundation, Inc.

We have audited the accompanying statements of financial position of the United Mitochondrial Disease Foundation, Inc. (“the Foundation”) as of June 30, 2008 and 2007, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Foundation’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Mitochondrial Disease Foundation, Inc. as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

STELMACK DOBRANSKY & EANNACE, LLC
Pittsburgh, Pennsylvania

May 5, 2009
# UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.

## STATEMENTS OF FINANCIAL POSITION

**JUNE 30, 2008 AND 2007**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$1,200,945</td>
<td>$1,303,695</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>19,176</td>
<td>3,139</td>
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<tr>
<td>Contributions receivable (Note 2)</td>
<td>0</td>
<td>40,000</td>
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<tr>
<td>Inventories</td>
<td>21,952</td>
<td>14,997</td>
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<tr>
<td>Investments (Note 3)</td>
<td>1,216,709</td>
<td>1,267,512</td>
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<tr>
<td>Prepaid expenses</td>
<td>31,721</td>
<td>22,277</td>
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<tr>
<td>Fixed assets - net (Note 4)</td>
<td>154,829</td>
<td>186,302</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$2,645,332</td>
<td>$2,837,922</td>
</tr>
</tbody>
</table>

## LIABILITIES AND NET ASSETS

<p>| | | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$ 355,940</td>
<td>$ 222,635</td>
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<tr>
<td>Accrued liabilities</td>
<td>52,616</td>
<td>82,785</td>
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<tr>
<td>Grants payable (Note 5)</td>
<td>1,666,955</td>
<td>1,794,433</td>
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<td>Deferred revenue</td>
<td>30,972</td>
<td>46,708</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td>2,106,483</td>
<td>2,146,561</td>
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<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
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</tr>
<tr>
<td>Unrestricted</td>
<td>390,503</td>
<td>596,624</td>
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<tr>
<td>Temporarily restricted (Note 7)</td>
<td>148,346</td>
<td>94,737</td>
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<tr>
<td><strong>Total net assets</strong></td>
<td>538,849</td>
<td>691,361</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES AND NET ASSETS** $2,645,332 $2,837,922
In 2008, the UMDF earned $2,985,385 in income. 76% of that income was earned through fundraising events and general contributions to the foundation.

In 2008, the UMDF had $3,137,897 in expenses. Research, awareness and education accounted for 85% of the UMDF’s annual expenses.
## UNITED MITOCHONDRIAL DISEASE FOUNDATION, INC.

### STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unrestricted</td>
<td>Temporarily Restricted</td>
</tr>
<tr>
<td><strong>PUBLIC SUPPORT AND REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fundraising</td>
<td>$1,445,815</td>
<td>$217,104</td>
</tr>
<tr>
<td>Contributions</td>
<td>348,417</td>
<td>99,440</td>
</tr>
<tr>
<td>In honor of</td>
<td>124,940</td>
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</tr>
<tr>
<td>In memory of</td>
<td>74,938</td>
<td>34,827</td>
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<tr>
<td>In kind</td>
<td>11,856</td>
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<tr>
<td>Grants</td>
<td>162,046</td>
<td>205,000</td>
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<tr>
<td>Total support</td>
<td>2,168,002</td>
<td>556,371</td>
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<tr>
<td>Revenue</td>
<td></td>
<td></td>
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<tr>
<td>Symposium and seminars</td>
<td>228,940</td>
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<td>Membership</td>
<td>46,398</td>
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<td>Sales</td>
<td>17,711</td>
<td>0</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total revenue</td>
<td>293,049</td>
<td>0</td>
</tr>
<tr>
<td>Investment income</td>
<td>102,136</td>
<td>0</td>
</tr>
<tr>
<td>Net unrealized gain on investments</td>
<td>(131,590)</td>
<td>0</td>
</tr>
<tr>
<td>Net realized gain (loss) on investments</td>
<td>(1,611)</td>
<td>0</td>
</tr>
<tr>
<td>Gain (loss) on disposal of fixed assets</td>
<td>(972)</td>
<td>0</td>
</tr>
<tr>
<td>Net assets released from program restrictions</td>
<td>502,762</td>
<td>(502,762)</td>
</tr>
<tr>
<td>Total support and revenue</td>
<td>2,921,776</td>
<td>53,809</td>
</tr>
</tbody>
</table>

## FUNCTIONAL EXPENSES

### Program services:
- Research: $1,125,592
- Public awareness: $366,307
- Education/member support: $922,689
- Total program services: $2,414,588

### Supporting services:
- Administrative and general: $138,942
- Fundraising: $584,367
- Total supporting services: $723,309
- Total expenses: $3,137,897

### CHANGES IN NET ASSETS
- Net assets - Beginning of year: $596,624
- Net assets - End of year: $947,737

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>53,609</td>
<td>(132,312)</td>
</tr>
<tr>
<td>NET ASSETS - Beginning of year</td>
<td>596,624</td>
<td>94,737</td>
</tr>
<tr>
<td>NET ASSETS - End of year</td>
<td>$390,503</td>
<td>$148,346</td>
</tr>
</tbody>
</table>
UNITED MITOCHONDRIAL
DISEASE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$(152,512)</td>
<td>$140,905</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>provided by (used in) operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>58,551</td>
<td>56,061</td>
</tr>
<tr>
<td>Realized (gain) loss on sale of investments</td>
<td>1,611</td>
<td>798</td>
</tr>
<tr>
<td>Unrealized (gain) loss on investment</td>
<td>131,590</td>
<td>(103,377)</td>
</tr>
<tr>
<td>Realized (gain) loss on disposal of assets</td>
<td>972</td>
<td>0</td>
</tr>
<tr>
<td>Changes in assets (increase)/decrease:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribution receivable</td>
<td>40,000</td>
<td>(40,000)</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(16,037)</td>
<td>(3,139)</td>
</tr>
<tr>
<td>Inventories</td>
<td>(6,955)</td>
<td>1,228</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(9,444)</td>
<td>3,788</td>
</tr>
<tr>
<td>Changes in liabilities (decrease)/increase:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>133,305</td>
<td>77,465</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>(30,169)</td>
<td>(38,937)</td>
</tr>
<tr>
<td>Grants payable</td>
<td>(127,478)</td>
<td>184,398</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(15,736)</td>
<td>(54,899)</td>
</tr>
<tr>
<td>Net cash provided by (used in) operating activities</td>
<td>7,698</td>
<td>224,291</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM INVESTING ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of equipment</td>
<td>(28,050)</td>
<td>(20,340)</td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(222,139)</td>
<td>(310,288)</td>
</tr>
<tr>
<td>Proceeds on sale of investments</td>
<td>139,741</td>
<td>3,607</td>
</tr>
<tr>
<td>Net cash provided by (used in) investing activities</td>
<td>(110,448)</td>
<td>(327,021)</td>
</tr>
</tbody>
</table>

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS: | 2008     | 2007     |

|                             |          |          |
| CASH AND CASH EQUIVALENTS – Beginning of year | 1,303,695 | 1,406,425 |
| CASH AND CASH EQUIVALENTS – End of year       | $1,200,945 | $1,303,695 |

SUPPLEMENTAL INFORMATION

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest paid</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Income taxes paid on unrelated business income</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Nature of Activities**

The United Mitochondrial Disease Foundation, Inc. (“the Foundation”) was organized on April 28, 1995, and is the result of a merger between a number of specific Mitochondrial disease organizations to form a larger, more cohesive united foundation representing all mitochondrial diseases and all sufferers, adult and children alike. The Foundation’s mission is to promote research for cures and treatments of mitochondrial disorders and to provide support to affected families.

**Basis of Accounting**

The accompanying financial statements are prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

**Financial Statement Presentation**

The Foundation’s financial statements are prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, “Financial Statements of Not-for-Profit Organizations.” Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

**Contributions**

The Foundation records contributions and grants in accordance with SFAS No. 116, “Accounting for Contributions Received and Contributions Made.” Under SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. Contributions that are required to be reported as temporarily restricted support are then reclassified to unrestricted net assets upon expiration/satisfaction of the donor restrictions.

**Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of one year or less to be cash equivalents. For the years ended June 30, 2008 and 2007, the Foundation had no noncash investing or financing activities for cash flow purposes.

** Estimates**

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

**Inventories**

Inventories consist of merchandise and are stated at the lower of cost (first-in-first-out) or market.
1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Investments**

The Foundation records investments in accordance with SFAS No. 124, “Accounting for Certain Investments Held by Not-for-Profit Organizations” which established standards of financial accounting, reporting and disclosures for certain financial securities held by not-for-profit organizations. Under SFAS No. 124, investments are presented in these financial statements at their current market value. These current market values are established using published market prices.

**Fixed Assets**

Fixed assets are recorded at cost and depreciated using the straight-line method over estimated useful lives of 5 to 7 years. Depreciation expense, totaling $58,551 and $56,061 for the years ended June 30, 2008 and 2007, respectively, is allocated to the various activities based on usage.

**Revenue and Expense Recognition**

Income from membership dues and program service fees are deferred and recognized over the periods to which the specific types of income relate. Costs and expenses related to such activities are also deferred as prepaid expenses and recognized in the period when the programs are held.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Tax Status**

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation’s tax-exempt purpose is subject to taxation as unrelated business income. For the years ended June 30, 2008 and 2007, the Foundation had no such income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

**Concentration of Credit Risk**

Financial instruments which potentially subject the organization to a concentration of credit risk, as defined by FASB Statement No. 105, consist principally of cash, temporary cash investments and marketable securities. The cash, temporary cash investments and marketable security accounts of the organization are maintained at high quality financial institutions. At times such accounts may be in excess of FDIC insurance limits, but pose no significant concentration of credit risk.

**Changes in Presentation of Comparative Statements**

Certain prior year amounts have been reclassified to conform to the current year presentation.
2. **CONTRIBUTIONS RECEIVABLE (PROMISES TO GIVE)**

   Pledges of contributions (or promises to give) have been classified as unconditional or conditional. Unconditional promises to give at June 30 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivable in less than one year</td>
<td>$0</td>
<td>$40,000</td>
</tr>
<tr>
<td>Receivable in one to five years</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total unconditional promises to give</td>
<td>$0</td>
<td>$40,000</td>
</tr>
</tbody>
</table>

   Management has deemed these promises to give to be fully collectible, and thus, no allowance for uncollectible pledges receivable has been recorded.

   There were no conditional promises to give at June 30, 2008 and 2007, respectively.

3. **INVESTMENTS**

   At June 30, investments were as listed below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual funds</td>
<td>$1,108,473</td>
<td>$1,216,709</td>
<td>$1,030,836</td>
<td>$1,267,512</td>
</tr>
</tbody>
</table>

4. **FIXED ASSETS**

   Fixed assets are summarized as follows at June 30:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture and fixtures</td>
<td>$58,253</td>
<td>$54,359</td>
</tr>
<tr>
<td>Computer equipment</td>
<td>59,401</td>
<td>51,207</td>
</tr>
<tr>
<td>Computer software</td>
<td>216,757</td>
<td>209,263</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>5,225</td>
<td>5,225</td>
</tr>
<tr>
<td>Total fixed assets</td>
<td>339,636</td>
<td>320,054</td>
</tr>
<tr>
<td>Less accumulated depreciation</td>
<td>184,807</td>
<td>133,752</td>
</tr>
<tr>
<td>Fixed assets – net</td>
<td>$154,829</td>
<td>$186,302</td>
</tr>
</tbody>
</table>

5. **GRANTS PAYABLE**

   Grants authorized but unpaid at year end are reported as liabilities in accordance with SFAS No. 116, “Accounting for Contributions Received and Contributions Made.”

   In May 2005, the Board of Trustees approved future research grants totaling $1,018,489 to be paid to qualified recipients from the years 2005 through 2007. As of June 30, 2008, $12,986 was unpaid.

   In May 2006, the Board of Trustees approved future research grants totaling $1,025,021 to be paid to qualified recipients from the years 2006 through 2008. As of June 30, 2008, $73,278 was unpaid.

   In May 2007, the Board of Trustees approved future research grants totaling $1,150,637 to be paid to qualified recipients from the years 2007 through 2009. As of June 30, 2008, $555,611 was unpaid.

   In May 2008, the Board of Trustees approved future research grants totaling $1,025,080 to be paid to qualified recipients from the years 2008 through 2010. As of June 30, 2008, all grants awarded in the current fiscal year were unpaid.
6. **RETIRED PLANS**

   **403(b) Tax Deferred Annuity Plan**

   The Company has a 403(b) Tax Deferred Annuity Plan covering substantially all of its employees. Employees may make voluntary pre-tax contributions to the plan subject to maximums allowed by the Internal Revenue Code. The Company does not match any of the contributions.

   **SEP-IRA Plan**

   The Company also has established a SEP-IRA retirement plan for substantially all employees. Contributions are determined by management and are totally discretionary. Contributions amounted to approximately $7,300 and $0 for the years ended June 30, 2008 and 2007, respectively.

7. **NET ASSETS**

   Temporarily restricted net assets at June 30, 2008 and 2007 are available for the following purposes:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research</td>
<td>$148,346</td>
<td>$ 94,737</td>
</tr>
</tbody>
</table>

8. **OPERATING LEASE**

   The Foundation leases office space under an operating lease agreement that expires October 2012. The Foundation leases a copier under an operating lease agreement that expires November 2011. The Foundation also leases a postage machine under an operating lease agreement that expires December 2010. The future minimum rental payments required under these lease agreements are:

<table>
<thead>
<tr>
<th>Year Ended June 30,</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$ 54,087</td>
</tr>
<tr>
<td>2010</td>
<td>53,541</td>
</tr>
<tr>
<td>2011</td>
<td>52,983</td>
</tr>
<tr>
<td>2012</td>
<td>49,849</td>
</tr>
<tr>
<td>2013</td>
<td>16,200</td>
</tr>
<tr>
<td>Thereafter</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>$226,660</td>
</tr>
</tbody>
</table>

   Rental expense amounted to $54,541 and $53,797 for the years ended June 30, 2008 and 2007, respectively.

9. **CONTRIBUTED SERVICES**

   SFAS No. 116 requires contributed services to be recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by volunteers. The Foundation receives such services from community members who volunteer to provide video production, website development and accounting services. The value of these services was calculated as $11,856 and $12,490 for the years ended June 30, 2008 and 2007, respectively, and is included in the accompanying Statements of Activities as revenue and expense.

   (Continued)
10. **CHAPTERS**

In addition to the national office of the United Mitochondrial Disease Foundation, Inc., local chapters have also been formed throughout the United States. These chapters include:

- Ohio Chapter
- Delaware Valley Chapter
- Southern California Chapter
- Kansas City Chapter
- New England Chapter
- Arizona Chapter
- New York Metro Chapter
- Indiana Chapter
- Atlanta Chapter
- Chicago Chapter
- Houston Chapter
- Central Ohio Chapter
- Carolina Foothills Chapter
- Minnesota Chapter

Each chapter is required to file an application for their own employer identification number, abide by their signed chapter affiliation agreement and by-laws and to provide the national office their monthly chapter finance report. The Foundation has received a group exemption under 501(c)(3) of the Internal Revenue Code, and accordingly, will file a group tax return for the chapters. The primary purpose of the chapters is to provide a support network and conduct charitable fundraising activities for the Foundation. The chapters meet the requirements for consolidation and accordingly, their balances are included in the accompanying financial statements.

The Statements of Financial Condition include the cash balances of each chapter as of June 30 as follows:

<table>
<thead>
<tr>
<th>Chapter</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio Chapter</td>
<td>9,504</td>
<td>13,974</td>
</tr>
<tr>
<td>Delaware Valley Chapter</td>
<td>2,580</td>
<td>8,126</td>
</tr>
<tr>
<td>Southern California Chapter</td>
<td>3,686</td>
<td>3,686</td>
</tr>
<tr>
<td>Kansas City Chapter</td>
<td>12,078</td>
<td>12,024</td>
</tr>
<tr>
<td>New England Chapter</td>
<td>7,858</td>
<td>894</td>
</tr>
<tr>
<td>Indiana Chapter</td>
<td>5,654</td>
<td>7,786</td>
</tr>
<tr>
<td>New York Metro Chapter</td>
<td>0</td>
<td>1,701</td>
</tr>
<tr>
<td>Atlanta Chapter</td>
<td>4,722</td>
<td>3,344</td>
</tr>
<tr>
<td>Chicago Chapter</td>
<td>2,847</td>
<td>2,607</td>
</tr>
<tr>
<td>Houston Chapter</td>
<td>1,990</td>
<td>1,510</td>
</tr>
<tr>
<td>Carolina Foothills Chapter</td>
<td>558</td>
<td>0</td>
</tr>
<tr>
<td>Minnesota Chapter</td>
<td>1,717</td>
<td>0</td>
</tr>
</tbody>
</table>
10. **CHAPTERS, Continued**

The Statements of Activities and Changes in Net Assets for the years ended June 30, 2008 and 2007 includes the activity for each chapter as follows:

<table>
<thead>
<tr>
<th>Chapter</th>
<th>2008 Revenue</th>
<th>2008 Expenses</th>
<th>2007 Revenue</th>
<th>2007 Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ohio Chapter</td>
<td>$ 288,718</td>
<td>$ 76,972</td>
<td>$360,552</td>
<td>$109,449</td>
</tr>
<tr>
<td>New England Chapter</td>
<td>110,723</td>
<td>11,810</td>
<td>112,484</td>
<td>16,137</td>
</tr>
<tr>
<td>Southern California Chapter</td>
<td>16,528</td>
<td>10</td>
<td>10,765</td>
<td>19</td>
</tr>
<tr>
<td>Delaware Valley Chapter</td>
<td>141,454</td>
<td>34,965</td>
<td>96,888</td>
<td>19,505</td>
</tr>
<tr>
<td>Arizona Chapter</td>
<td>3,536</td>
<td>355</td>
<td>2,342</td>
<td>46</td>
</tr>
<tr>
<td>New York Metro Chapter</td>
<td>100,755</td>
<td>3,187</td>
<td>39,227</td>
<td>2,328</td>
</tr>
<tr>
<td>Kansas City Chapter</td>
<td>45,358</td>
<td>11,953</td>
<td>42,581</td>
<td>12,789</td>
</tr>
<tr>
<td>Indiana Chapter</td>
<td>39,484</td>
<td>17,051</td>
<td>49,868</td>
<td>21,343</td>
</tr>
<tr>
<td>Atlanta Chapter</td>
<td>267,027</td>
<td>62,868</td>
<td>135,803</td>
<td>26,546</td>
</tr>
<tr>
<td>Chicago Chapter</td>
<td>124,228</td>
<td>2,623</td>
<td>22,644</td>
<td>279</td>
</tr>
<tr>
<td>Houston Chapter</td>
<td>101,046</td>
<td>8,766</td>
<td>1,200</td>
<td>790</td>
</tr>
<tr>
<td>Central Ohio Chapter</td>
<td>114,219</td>
<td>20,915</td>
<td>1,886</td>
<td>1,132</td>
</tr>
<tr>
<td>Carolina Foothills Chapter</td>
<td>66,778</td>
<td>383</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Minnesota Chapter</td>
<td>22,335</td>
<td>868</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,442,189</strong></td>
<td><strong>$252,726</strong></td>
<td><strong>$876,240</strong></td>
<td><strong>$210,363</strong></td>
</tr>
</tbody>
</table>

(Concluded)